

NEW SOUTH WALES.

BUSINESS STATISTICS - 26th NOVEMBER, 1940.

Economic activity is great and increasing. War expenditure, to be still greater under Budget proposals, is the dominating influence. Industrial progress is very marked and employment is at a record level. Immediate problems are of labour supply and industrial relations. Domestic trade is (and likely to be) well maintained though extension of economic control, increased taxation, etc. may cause some irregularities. Parts of the State have had beneficial rain but the drought is unbroken. A wartime policy for wheat is provided by the stabilisation scheme adopted last week.

C O N T E N T S.

PART.

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- Export Prices and Export prices steady. Marketing prospects.
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- Currency Sterling-dollar open market rate steady. British
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- Wheat: Drought relief. Wheat stabilisation scheme. Progress
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- Butter: Production decreasing. Useful rain in dairying
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- Metals: Prices steady in London. Tin statistics.
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BUSINESS STATISTICS - 26th November, 1940.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Useful rain (an inch or more) fell over the south-eastern part of the State over the week end. In some areas pastures are still fair, but over the greater part of the State natural feed is scarce, hand-feeding is widespread, and successive spells of rain are needed to restore the pastoral outlook. In the north and west the drought has caused considerable losses of sheep already. The Director of Marketing now estimates the wheat harvest as about 28 million bushels - barely one-half an average crop.

EXPORT PRICES AND EXTERNAL CONDITIONS. Prices of principal Australian export commodities are fixed under contracts with the British Government. The index number of Australian export prices (Commonwealth Bank) stands at 82 per cent. of the 1927 average and nearly 25 per cent. higher than in the year ended June, 1939. Apart from the special problem of wheat marketing, the wartime shipping position has seriously affected certain export industries such as fresh fruit and wine. To producers of apples and pears, pooling arrangements modified the consequences of a halving of exports in 1939-40 and pooling will apply again in 1940-41. Exports of wine (30 per cent. less in Jan.-Aug., 1940 than in Jan.-Aug., 1939) have practically ceased. The adverse season is likely to result in reduced exports of dairy products and meat. The whole of the record crop of 1940 of dried vine fruits, and of the 1940 pack of canned apricots, peaches and pears has been disposed of.

Britain is making liberal use of Treasury deposit receipts issued against surplus deposits of banks in financing the deficit. These receipts totalled £stg. 285 m. up to the middle of November but so far the method in practice appears to have caused little concern. Wholesale prices remain relatively steady ("The Economist" index for Nov. 20 was 99.8 (1927 = 100) compared with 100 on July 3) and the cost of living has risen only slowly - by $1\frac{1}{2}$ per cent. in October, 1940 and by 24 per cent. since the war began.

Attention has been focussed on questions of intra-Empire trade and shipping. It may be that economy in the use of shipping will enforce curtailment of British imports for manufacture and re-export (especially to Empire countries) and concentration upon nearest-at-hand sources for food supplies. In such an eventuality the economic repercussions might be far-reaching. "The Economist" says "The fact that the Ministry of Shipping has chartered only part of the Allied tonnage suggests that the position is not entirely unfavourable" but is led to conclude that the replacement of losses is likely to be difficult. On Nov. 20 it was reported that all British shipping on the Hong Kong register had been requisitioned and that similar action regarding ships on the Singapore register was expected soon.

Lord Lothian's statement that "If we are to get through 1941, which we believe will be a tough year, something will have to be done about finances" has led to lively discussion in the American press of possible financial aid to Britain by the United States. The pledge of "all possible aid" is being fulfilled by increasing supplies of aircraft (including "flying fortresses") and munitions to Britain. American steel plants are working at a record level and there is an upward trend of business under the stimulus of Government spending on the United States defence programme.

Share prices eased last week in London and New York.

CURRENCY RELATIONSHIPS. The sterling-dollar rate of exchange in the open market in New York was unchanged last week, still showing a very slight premium over the official rate (£4.03 to £stg.) The British Treasury is reported to have intensified its control of foreign exchange by preventing the conversion of sterling balances of foreigners accruing from cash legacies, sales of real estate securities, and similar capital payments into foreign currency. These are required to be paid into blocked accounts and may be invested in specified British securities. This is a departure from the policy of freedom of movement of such foreign owned funds hitherto strictly maintained.

/It is.....

PART I (Continued)

It is also now provided that persons controlling companies set up outside the sterling area may be required to surrender to the Treasury the foreign exchange assets of such companies. This new regulation may, it is thought, involve substantial sums.

Lord Lothian's statement, referred to above, indicated that Britain's available gold and securities would suffice for cash purchases of war materials from the United States for six to twelve months. Dollar exchange is therefore, not an immediate problem, but it is obviously necessary for all possible steps to be taken to conserve resources of foreign exchange, and the recent Treasury decrees have been made to that end.

STERLING-DOLLAR EXCHANGE - OPEN MARKET IN NEW YORK.

<u>Aug.,</u> <u>1939.</u>	<u>Feb.,</u> <u>1940.</u>	<u>May,</u> <u>1940.</u>	<u>July,</u> <u>1940.</u>	<u>Sept.,</u> <u>1940.</u>	<u>Oct.,</u> <u>1940.</u>	<u>Nov. 23,</u> <u>1940.</u>
\$ to £stg. 4.61	3.96	3.28	3.81	4.04	4.04	4.04

WOOL. The appraisement of wool is proceeding expeditiously. Exports of wool are not as great as those of a year ago, and much appraised wool is being stored. However, the shipment of the strategic reserve of 250 million lb. and of additional quantities for current consumption to the United States will relieve the storage situation. It has been announced from Washington that most of the strategic reserve will be transported in American vessels.

It is not yet possible accurately to determine the size of the 1940-41 Australian clip. In the wool trade it is believed that the decrease compared with last year will not be as great as was at first expected (from 5-10%) as a decreased weight of wool per sheep will be offset in part by an increase in the number of sheep shorn and a smaller proportion of lambs in the flocks. On account of loss of the all-important French market for sheep skins, fellmongering has increased in Australia.

There are rumours that the British and United States Governments may conjointly purchase the wool clip of Argentina and Uruguay. Wool was in very strong demand at American auctions and American mills are busy coping with defence orders and an increased volume of civilian trade. An Australian process for rendering wool unshrinkable, equal in results and cheaper to operate than the Torridon or any other English process may shortly be applied commercially to some Australian wool manufactures.

WHEAT. Rain recently fallen in parts of the wheat belt is too late to benefit crops as a whole, and may result in some damage to grain. The final forecast of the Director of Marketing is for a harvest of about 28 million bushels in New South Wales. The amount to be advanced by the Commonwealth Government for drought relief in New South Wales was increased to £750,000.

A wheat stabilisation scheme was adopted at the Conference of State and Federal Ministers in Canberra on Nov. 18. The scheme is to operate under the National Security Act, and begins with the 1941-42 harvest. Full assistance in implementing it is to be accorded by the States, which also have undertaken not to increase rail freights on wheat while the scheme is in operation. The main features of the scheme are:-

Payment of a guaranteed price of 3s.10d. a bus. f.o.b. for bagged wheat, out of which all costs farm to shipboard are to be met, for a maximum marketed crop of 140 m. bus.

A fund to accumulate in years of surplus realisations (growers and the fund to share equally proceeds above the guaranteed price) to meet debits resulting from payments when realisations fall short of the guaranteed price.

Licensing of wheat growers, who will undertake to sow an authorised acreage (related to the maximum crop to which the guaranteed price may apply); market all wheat grain through the Wheat Board; cut for hay such acreage as may be directed, and supply returns as required to enable investigation of production costs.

/It is proposed.....

PART I (Continued)

It is proposed not to license any farms for wheat-growing not already so used. In years of heavy crops when growers are required to cut wheat for hay the purchase of hay under a fodder conservation plan will be arranged.

Generally the plan has been well received.

On Nov. 23 the Chairman of the Wheat Board announced that ^{in the last three weeks} 5,600,000 bushels of wheat had been sold for Australian consumption and export, making sales to date of the 1939-40 season, 154,250,000 bushels. "Assuming that mills would continue to use old season's wheat until the end of March ships had still to be provided for 41 m. bus. for export." A message from Melbourne coupled with this statement anticipates payment of a third (and final) advance of 3d. or 4d. a bushel on the No. 2 (1939-40) Pool.

The Commonwealth Government announced a gift of 10,000 tons (about 373,000 bus.) of wheat or its equivalent in flour to the Greek Government on Nov. 18, 1940.

In Chicago the wheat market has been very firm mainly on account of limited marketings due to growers having accepted Government loans. On Nov. 23 the quotation of December options (88½ cents a bus.) was 12 cents a bus. above the average in July last and 4 cents higher than at the beginning of the month. On the London Baltic Exchange Canadian parcels are firm and Australian and Argentine wheat are a little cheaper than at the beginning of the month. Britain is drawing the bulk of her wheat requirements from Canada.

The local market brightened last week because of buying of wheat for gristing to meet newly placed orders for flour for export. Mills are reported to be well employed. The Board's prices for wheat were unchanged. These were (per bushel, f.o.r., Sydney) 4s.0½d. for bagged wheat (No. 2 Pool) and 3s.11½d. for silo wheat for local flour and small export orders. Flour was unchanged in price at £12.13s. a ton.

PRICES OF WHEAT IN NEW SOUTH WALES.

<u>Bulk Wheat.</u>	Seasons ended November.			October.		Nov. 25. 1940.
	Av. 1931-35	1937	1939	1939.	1940.	
	Shillings and pence per bushel.					
Ex trucks, Sydney	2 9½	5 3	2 5	2 8	3 11¼(b)	3 11¼(b)
Equiv. ex farm at Country Siding (a)	2 2½	4 8	1 9½	2 0½	(c)	(c)

- (a) Exclusive of bounty. (b) Prices for sale for local consumption.
(c) Advances made give farmers about 2s.5d. (net) a bushel. A further payment is likely at an early date.

BUTTER. Butter production is at a level much below that of a year ago and is reported to have been declining in recent weeks. Principal dairying districts have received useful rain during the past fortnight, and if favourable weather follows, cream supplies may increase again. At present some butter is coming in from other States to augment local supplies in New South Wales.

As far as is known the British butter ration remains at 2 oz. per person a week. The sale of fresh cream was banned in Britain in September. Milk will increase in price by ½d. a pint from Dec. 1, 1940 making a total increase of 1d. a pint in Britain since the outbreak of the war.

Prices of butter compare as under:-

PRICES OF BUTTER - SYDNEY - EXPORT AND LOCAL.

	Average - Seasons ended June.				
	1929-32.	1933-36.	1937-39.	1939.	1940.
	Shillings (Australian) per cwt.				
Export Parity	135	88	122	123	137 (a)
Local Sales.	173	134	150	159	159

- (a) Agreed price for British purchase, 1939-40 and 1940-41.

METALS. Prices (sterling, per ton) fixed by the British Ministry of Supply for electrolytic copper (£62), lead (£25) and spelter (£25.15s.) have been unchanged since Dec. 18, 1939. Fluctuations in the prices of silver and tin in the open market in London have been small in recent weeks. For tin the price on Nov. 22 (£258.7s.6d.) was above the average of any month for several years, excepting the months May to August, 1940. In the eight months ended August, world production of tin was 144,600 tons this year compared with 87,300 tons in 1939. World stocks of tin (including smelters' stocks) on August 31 were 51,232 tons in 1940 and 34,608 in 1939. Particulars relating to disappearance of tin in Britain and America were:-

<u>Tin.</u>	<u>Consumption in U.K.</u>			<u>United States Deliveries.</u>		
	Jan. - July.			Jan. - August.		
	<u>1939.</u>	<u>1940.</u>	Increase.	<u>1939.</u>	<u>1940.</u>	Increase
	tons	tons	%	tons	tons	%
	12,652	18,496	46	41,570	70,404	69

Apart from a probable great increase in United States consumption of tin as a result of re-armament, that country is endeavouring to build up a strategic reserve of this metal, drawing supplies largely from the British Empire. This is making a useful addition to Britain's reserves of dollar exchange.

PART II.

FINANCE AND TRADE.

WHOLESALE TRADE. Sales at wholesale in September, 1940 (as recorded under the Sales Tax Acts) were greater than in any of the preceding four months but 10 per cent. below the value in Sept., 1939 when rush buying occurred. In Sept. Qr., 1940 sales were approximately the same in value as in Sept. Qr., 1939.

As from Nov. 22, 1940 goods of an annual value of £47 million formerly exempted became subject to tax at the rate of 5 per cent. The general rate of Sales Tax was increased from $8\frac{1}{3}$ to 10 per cent. (it was 6% a year ago) and certain goods (supplying less urgent needs) became taxable at the rate of 15 per cent. of sales value. The Treasurer indicated that of goods of an estimated annual value of £565 m. those taxable totalled £251 m.

Exempted goods (basic foodstuffs, £131 m.; fuel, light and power, £60 m.; primary products, £25m; primary producers' machinery, material and aids, £23 m.; goods sold to Govt. departments, £40 m.; beverages, tobacco, etc. carrying heavy customs and excise duty, £17 m.; and goods for hospitals and public institutions, church equipment and boots and shoes under 15s. a pair, £18 m.) totalled £314 m.

Increased customs and excise duties fall on beer, spirits, tobacco, cigarette papers and matches and a duty has been imposed on carbonic acid gas used for aerated beverages (other than beer). The Minister for Customs explained that as well as for revenue, the tariff was being used with the objects of reducing consumption (conserving non-sterling exchange and diverting income to war purposes) and checking demands for goods likely to be in short supply.

Increases in retail prices generally to cover the higher rates of duty and sales tax have been permitted by the Prices Commissioner. Higher prices and increased direct taxation are likely to affect consumption of some commodities. But employment is still increasing and consequently the number of people with incomes to spend is rising. Again, price changes will be reflected duly in adjustments of rates of wages. Higher total earnings of wage and salary earners will tend to sustain and possibly expand ordinary business activity.

There were 25,830 persons employed in wholesale firms with ten or more employees in October, 1940 compared with 25,926 in Oct., 1939. Between 1933 and 1937 employment with these larger wholesalers increased by about 40 per cent. but there has been little change over the past three years.

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.			Employment in Wholesale Firms with Ten or More Employees.	
	September.	January to September.	Increase over Jan.-Sept. or Preceding Year.	September.	October.
	£ million	£ million	Per cent.	Persons.	
1932	11.10	90.32	0.6	(June, 1933	17,638)
1937	16.28	140.84	19.0	24,474	24,819
1938	17.45	143.35	1.8	25,515	25,664
1939	19.44	145.22	1.3	25,539	25,926
1940	17.48	149.13	2.7	25,871	25,830

RETAIL TRADE. Except for a buying wave in the first month or two of the war, trading has been normal. Stocks in general have been adequate and consumers have been reassured by control of prices. A good deal of the increased purchasing power of wage earners has gone into savings and no material change in physical turnover of goods or of employment in shops has taken place. Employees in retail firms with ten or more employees have numbered about the same in recent months as one and two years ago:-

	August			September			October		
	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Employees	51,323	51,253	51,728	50,989	51,176	51,382	51,193	51,615	51,600

/Particulars....

Particulars of employment in October of the last four years in the following table show slight increases in the metropolis and in the Newcastle district, offset by a moderate decrease in shops in country towns:-

EMPLOYMENT IN RETAIL TRADE, NEW SOUTH WALES.

Middle week of October.	Sydney		Newcastle District.	Country Towns	Total - N. S. W.	
	City	Suburbs			Number	Increase -Year ended Oct.
	Persons employed by firms with ten or more employees.					
1937	35,518	4,060	2,404	8,641	50,623	2,742
1938	36,052	4,029	2,453	8,659	51,193	570
1939	36,494	4,066	2,539	8,516	51,615	422
1940	36,636	4,078	2,570	8,316	51,600	(-) 15

Large City Stores. In a group of large city stores sales in Sept., 1940 were one per cent. below the value in Sept., 1939 (when there was one more shopping day and rush buying of certain classes of commodities occurred). A slightly rising tendency in the value of sales is due mainly to higher prices. In three-months periods sales increased in value compared with a year previously as follows:-

	<u>Jan.-</u> <u>Mar.</u>	<u>Feb.-</u> <u>Apr.</u>	<u>Mar.-</u> <u>May.</u>	<u>Apr.-</u> <u>June</u>	<u>May-</u> <u>July</u>	<u>June-</u> <u>Aug.</u>	<u>July-</u> <u>Sept.</u>
Increase	3.2%	5.5%	4.5%	6.3%	5.6%	7.3%	7.5%

In Sept., 1940 compared with Sept., 1939 there were decreases in sales of piece goods (11.2%), boots and shoes (14.7%) and food and perishables (11.6%) and increases for furniture etc. (7.3%), hardware (8.1%), women's wear (5.2%) and books and stationery (4.2%). In all departments except sports and travel goods stocks were greater in value and in the aggregate 19.9 per cent. above the value in Sept., 1939. These shops had 4.7 per cent. more employees and paid out 4.3 per cent. more in salaries and wages than in Sept., 1939.

PART III INDUSTRIES.

EMPLOYMENT. Expansion of war industries and repercussions therefrom have caused employment to increase rapidly. In the middle week of October, 1940 there were 882,161 persons in employment in New South Wales - a record number and 32,112 more than in October, 1939. Increases in each of the last four months were: July, 8,666; August, 6,914; September, 3,700 and October, 6,435; a total of 25,715.

The number of adult males registered as unemployed is declining steadily and was 30,792 in October, 1940, showing decreases of 3,481 and 10,021 compared with September and May, 1940, respectively.

In the year ended October, 1940 private employment increased by 24,582 and public employment by 7,530. An addition of 17,000 factory employees was the outstanding feature (see succeeding note). The growth in private employment (and in factory employment) was still more emphasised over the past four months. Comparative particulars are:-

INCREASE (+) OR DECREASE (-) IN PERSONS IN EMPLOYMENT IN N.S.W.

	June to October.				Year ended October.			
	Private.	Local Govt.	Govern-mental.	All Employ.	Private	Local Govt.	Govern-mental.	All Employ.
1937	+ 26,789	+ 2,041	+ 500	+ 29,330	+ 42,828	+ 6,278	+ 9,800	+ 58,906
1938	+ 146	- 944	- 1,300	- 2,098	+ 9,291	- 3,213	+ 1,600	+ 7,678
1939	+ 21,812	- 1,118	- 2,200	+ 18,494	+ 11,362	- 1,326	+ 2,600	+ 12,636
1940	+ 24,816	- 931	+ 1,830	+ 25,715	+ 24,582	- 1,550	+ 9,080	+ 32,112

Except in factories and in offices and commerce where there were increases, and in the building and rural industries (included in "other", below) with decreases, employment was much the same in October 1940 as a year earlier. Provision of new hospital accommodation accounted for most of the increase in the group shown as "personal services". From Sept. to Oct., 1940, apart from the increase in factories and in "offices and commerce" (largely due to accelerated handling of wool) and the partly seasonal decrease in "other" industries movements generally were unimportant.

Considerable changes in the disposition of resources of labour are inevitable as more and more of the nation's energies, productive equipment and materials are mobilised for war. Increased excise and customs duties on some less urgent items of consumption; control of building, and discriminatory rates of sales tax are recent measures portending such changes. But it is to be expected that employment as a whole will continue to increase, and the difficulty already experienced in securing skilled artisans for war industries is symptomatic of the major problem of employment of the near future.

Trends in employment were as follow:-

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and Men in the Armed Forces not on Civil Paysheets).

	Persons Employed in Middle Week of -						Increase, Oct., 1940 over -	
	Oct., 1936	Oct., 1937	Oct., 1938	Oct., 1939	Sept., 1940	Oct., 1940	Oct., 1939	Oct., 1936
All Employment	770.8	829.7	837.4	850.0	875.7	882.2	3.8	14.5
Private "	636.9	679.7	689.0	700.4	719.8	725.0	3.5	13.8
All Factories	206.8	224.0	230.7	232.6	246.2	249.6	7.3	20.7
In Firms with Ten or more employees -								
Mines	18.1	19.3	19.8	21.3	21.1	21.3	-	17.7
Retail Trade	47.9	50.6	51.2	51.6	51.4	51.6	-	7.7
Wholesale Trade	23.8	24.8	25.7	25.9	25.9	25.8	(-)0.4	8.4
Offices & Commerce	26.9	26.9	27.6	28.3	29.8	30.1	6.4	11.9
Ship'g & Rd. Transp't	19.7	20.5	20.3	21.6	21.9	21.3	(-)1.4	8.1
Personal Services	26.5	27.0	29.0	29.7	29.8	30.8	3.7	16.2
Other Industries	15.6	22.3	22.3	21.9	21.0	19.8	(-)9.6	26.9

Minus sign (-) denotes decrease.

PART III (Continued)

MANUFACTURING INDUSTRIES. The expansion of factory production in furtherance of the war effort is the outstanding feature of economic activity during the war period. Employment in factories in New South Wales (249,600 persons in Oct., 1940) is much greater than ever before and 38 per cent. above the average in the peak pre-depression year (1928-29). There was an increase of 17,000 employees in factories between Oct., 1939 and 1940, and an increase of 8,300 since March last (before the coal stoppage). The basis for this rapid development was laid by the extensive capital extensions in the heavy iron and steel industries during recovery from the depression. Trends in factory employment were:-

	<u>Aver.,</u> <u>1928-29.</u>	<u>June,</u> <u>1933.</u>	<u>Oct.,</u> <u>1938.</u>	<u>Oct.,</u> <u>1939.</u>	<u>Mar.,</u> <u>1940.</u>	<u>Sept.,</u> <u>1940.</u>	<u>Oct.,</u> <u>1940.</u>
Persons (000)	180.7	139.7	230.7	232.6	241.3	246.2	249.6
Index No.	100	77	128	129	133	136	138

Arms and munitions production, shipbuilding and aircraft construction have all increased greatly and this is reflected in an increase of 9,050 persons (14.1 per cent.) in employees in factories with ten or more employees making or using industrial metals in the last twelve months. War orders have stimulated employment also in chemical, clothing and textile factories and almost countered the effects on rubber factories of attenuating civil demand for tyres, etc. Plans for new and extensions to existing factories are being put into effect. The Commonwealth Aircraft Corporation Pty. Ltd. plant at Lidcombe for manufacture of aero engines is expected to be in operation in about three months time, and preliminary training of craftsmen for the works is in progress. Local factories (some newly established) are producing essential materials and civilian goods, full supply of which from overseas is no longer practicable.

War production has been affected in some degree by industrial disputes. A Dept. of Labour has been established by the Commonwealth Government and it is planned to set up special arbitration machinery to deal with disputes as they arise. The course of employment in factories, particularly during the war period, is illustrated as under:-

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Cement, Bricks, Glass &c.	Chemicals etc.	Industrial metals.	Textiles & clothing.	Food and Drink.	Wood- work- ing &c.	Paper and Printing.	Rubber.
	Number of Persons Employed - Thousands.							
October, 1935	7.95	5.52	45.93	33.08	23.49	8.52	12.37	2.73
1938	10.42	6.67	59.63	34.42	27.39	9.40	13.40	3.69
1939	11.79	7.88	64.21	38.38	29.21	10.10	14.78	3.66
March, 1940	11.99	8.55	66.30	39.61	31.05	9.95	15.15	4.13
September, "	12.39	8.94	71.54	40.82	29.14	10.07	14.42	3.64
October, "	12.40	8.56	73.26	41.43	30.04	9.99	14.44	3.59
Increase-Oct., 1939 to 1940.	5.2%	8.6%	14.1%	7.9%	2.8%	-1.1%	-2.3%	- 1.9%

In 42 large factories, sales in September 1940 were slightly below the value of sales in Sept., 1939 (when they were exceptional) but in the nine months ended September there was an increase of £2.79 million (or of 9.9 per cent.) this year compared with last year. Employment in these factories was 7.2 per cent. greater than in Sept., 1939 and in Sept., 1940 the weekly wages bill was 11.7 per cent. greater than a year earlier.

PART III (Continued)

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

	All Factories.		Forty-two Large Factories.					
	Employment.		Month of September.			January to September. (monthly average)		
	October.							
	Number	Index No.	Sales.	Employ- ees.	Wages Paid Weekly.	Sales.	Employ- ees.	Wages Paid Weekly.
			£000	000	£000	£000	000	£000
	1928-29 =							
	180,756	100						
1932	137,400	76	2116	15.5	55.9	2011	14.4	52.6
1937	224,000	124	3231	22.9	90.3	2993	22.3	85.4
1938	230,700	128	3407	23.7	96.7	3136	23.4	95.1
1939	232,600 x	129 x	3669	23.1	97.4	3142	23.0	95.3
1940	249,600 x	138 x	3634	24.8	108.8	3452	23.8	102.7

x Subject to revision.

BUILDING PERMITS - METROPOLIS.

Building permits declined in value in recent months but with Government building activity is still considerable. Building works of a value exceeding £5,000 are to be controlled. Recent features - little activity in the city, high totals for hotels, etc., and active housebuilding - were evident again in October, 1940. Permits in Oct. and Jan.-Oct. were 31% and 17% less this year than last year.

In Jan.-Oct. a decrease of 15% in dwellings proposed was due mainly to the decline of 28% in flat dwellings compared with last year.

Permits for private buildings granted in Sydney and suburbs have decreased progressively in value each month since July last. In October, 1940 the total (£833,000) was the lowest since Feb., 1940, and for the corresponding month, since 1936. Trends in the value of building permits were as follow:-

	Dec. Qr. ø	Mar. Qr. ø	June Qr. ø	July	Aug.	Sept.	Oct.	July-Oct. ø
	Value of permits granted - Thousands of pounds.							
1937	799 x	650	995	997	1049	1033	963	1010
1938	1082 x	1035	1230	1741	1202	1110	933	1246
1939	1065 x	952	1077	1522	1209	800	1205	1184
1940	868 x	775	993	1048	956	840	833	919

ø Monthly average. x Preceding year.

Contracts for Government buildings (Federal and State) were:-

October.		July to October.		
<u>1939.</u>	<u>1940.</u>	<u>1939.</u>	<u>1940.</u>	
£000	109	34	597	352

The total in July-Oct., 1939 included £411,000 for extensions to the G.P.O. in Sydney.

Under National Security Regulations made on Nov. 18, 1940 no building or building alteration of a value exceeding £5,000 may be undertaken after Dec. 5, 1940 without approval of the Commonwealth Treasurer. The aim is to curtail investment in non-essential and expensive buildings and to conserve material needed for war industries. The Treasurer stated "that any curtailment of building under the Regulations will be gradual and adjusted to employment demands."

/Again.....

PART III. (Continued.)

Again in October, 1940 very little building work was proposed in the city and in the suburbs the value of permits was somewhat below the average for the preceding six months. Comparisons for the ten months ended October show that in 1940 city permits were 45 per cent. and suburban permits were 12 per cent. below the value in 1939. The aggregate in the city was the lowest since 1934.

Details are:-

		Month of October					Ten Months ended October.				
		1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
City	£000	78	146	183	271	33	1,709	2,013	2,738	1,716	945
Suburbs	£000	740	817	750	935	800	6,842	6,964	9,043	9,105	8,035
Total	£000	818	963	933	1,205	833	8,551	8,977	11,781	10,821	8,980

In October, 1940 permits for all classes of buildings except brick houses and flats were lower in value than in October, 1939. The high level maintained in house-building is the outstanding feature of recent building activity:-

			July	Aug.	Sept.	Oct.	July-Oct.
Permits for Houses	1938	£000	562	585	478	438	2,064
(Metropolis)	1939	£000	592	587	347	460	1,986
	1940	£000	522	530	440	453	1,945

There was a small increase for brick houses in this period compared with last year but wooden and fibro houses decreased from £326,000 in 1939 to £250,000 in 1940.

The value of permits according to type of building in October and the ten months ended October is shown below, together with percentage changes Jan.-Oct., 1939 to 1940. Flat building has been substantial though much reduced compared with two years ago, and more money has been committed for hotels, etc., but there have been marked decreases in proposals for shops, factories and miscellaneous buildings; the latter partly the result of the falling off in city buildings:-

VALUE OF BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

Period.		Houses		Flats (a).	Hotels, Guest- Houses.	Shops (b)	Fact- ories (c)	Other build- ings.	Total
		Brick, &c.	Wood, Fibro						
		£000	£000	£000	£000	£000	£000	£000	£000
October,	1938	355	83	231	82	35	46	101	933
"	1939	388	72	173	45	61	105	361	1,205
September,	1940	373	66	168	11	30	86	106	840
October,	1940	398	54	194	28	21	79	59	833
Jan.-Oct.,	1938	4,173	762	3,000	513	491	806	2,036	11,781
"	1939	3,879	810	2,510	419	454	1,189	1,560	10,821
"	1940	3,927	782	1,787	534	277	800	874	8,980
Movement: 10 mths. 1939 to 1940.		+1.2%	-3.5%	-28.8%	+27.4%	-39.0%	-32.7%	-44.6%	-17.0%

Including (a) conversions to flats, (b) shops with dwellings and (c) public garages.

The control of building, higher building costs, continued difficulty of building societies in securing new loans, and actual and psychological effects of greatly increased taxation are factors tending to dampen down private building enterprise. As opposed to these, the demand for housing, and the attraction of real estate as an investment, together with higher incomes of wage-earners and building necessitated by the expansion of war industries may tend to keep the building industry well employed.

/DWELLINGS.....

DWELLINGS. In October, 1940 there were 729 net additional dwellings included in private building permits in the metropolis compared with 775 in October, 1939 and 812 in October, 1938. The decrease was mainly in wooden and fibro houses. The number of dwellings was slightly below the average for the first nine months of this year (741). Comparisons for recent months and those of one year and two years earlier are:-

	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
Number of dwellings proposed.							
1938	1003	1174	1130	1264	1212	1185	812
1939	666	869	1246	1223	1051	569	775
1940	909	963	782	748	820	676	729

Particulars covering the ten months ended October of each recent year are appended. A marked decrease in flat building stands out as the major factor in the decrease in housing proposals of 15.0 and 28.3 per cent. in comparison with 1939 and 1938 respectively:-

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

	Ten Months ended October.					Movement 1939 to 1940.
	1936	1937	1938	1939	1940	
Houses - Brick, etc.	3,105	3,050	3,999	3,658	3,601	- 1.6%
- Wood, Fibro etc.	750	967	1,428	1,461	1,291	-11.6%
Total Houses	3,855	4,017	5,427	5,119	4,892	- 4.4%
Flats - In New Buildings	2,887	2,746	4,607	3,391	2,475	-28.0%
- In Converted Buildings.	363	408	368	291	202	-30.6%
With Shops, Hotels etc.	166	113	202	180	93	-48.3%
Total, Flats etc.	3,416	3,267	5,177	3,862	2,770	-28.3%
Grand Total	7,271	7,284	10,604	8,981	7,662	-14.7%
Less Demolitions & Conversions.	274	373	277	271	260	- 4.1%
Net Additional Dwellings	6,997	6,911	10,327	8,710	7,402	-15.0%

In Jan.-Oct., 1940 the net number of additional dwellings included in permits was equal to a rate of 8,880 a year, which is above the number in any year 1930 to 1937 but 25 per cent. less than in 1938. The proportion (per cent.) of dwellings proposed comprised in houses was 69.6 in 1929, 52.1 in 1938, 57.6 in 1939 and 63.9 in 1940.

NUMBER OF DWELLINGS INCLUDED IN BUILDING PERMITS - SYDNEY AND SUBURBS.

	Calendar Year					Jan.-Oct.	
	1929	1930-34 ⁺	1937	1938	1939	1939	1940
Individual Houses	7,095	1,205	4,852	6,342	5,847	5,119	4,892
In Flats with Shops, etc.	3,097	656	3,900	5,821	4,290	3,862	2,770
Total Dwellings (net) ϕ	9,854	1,839	8,490	11,853	9,822	8,710	7,401

⁺ Yearly average. ϕ After deducting demolitions and conversions.

GAS AND ELECTRICITY. The consumption of gas and electricity in Sydney and suburbs in October, 1940 was a record for October and 37 per cent. above the average in October 1929-31. In the ten months ended October, 1940 there was an increase of about 5 per cent. in comparison with Jan.-Oct., 1939. Apart from the factors of growth of population and increasing use, both commercially and privately, of power equipment and appliances, the increase in the amount of gas and electricity

/used.....

PART III. (Continued.)

used is a reflection of industrial expansion in post-depression years, and in particular, the high level of industrial activity promoted by the war effort during the past twelve months.

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY AND SUBURBS.

	<u>1929</u>	<u>1932</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Index Numbers : Average, 1929-31 = 100.							
Month of October	109	96	113	119	121	135	137
Calendar Year	105	96	116	119	123	131	-

COAL Industrial conditions have been disturbed on the coalfields, but apart from a stoppage of all Southern Collieries from Oct. 2 to 18, coal production has been affected only intermittently in isolated mines. Employment (including men engaged in industrial disputes) was slightly greater in October, 1940 (16,868) than in Oct., 1939 (16,747). Probably more coal is being raised than ever before though because of mechanisation the number of mine workers is about 30 per cent. less than in 1927.

The course of employment in collieries was:-

<u>October</u>	<u>1928</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Men employed in Collieries	21,700+	14,262	14,298	16,747	16,868.

+ Yearly average. In 1927 the av. No. of employees was 24,500.

The Commonwealth Treasurer has approved the formation of a £2.5 million company to work shale deposits near Muswellbrook. Some coal miners may be employed winning shale if the project is established.

Reflecting the high level of industrial activity and efforts to build up reserve stocks, there has been an exceptionally heavy movement of coal over N.S.W. railways; in the last five months the quantity of coal carried was 9 per cent. greater than in the corresponding period of 1939. Other comparisons are:-

MOVEMENT OF COAL BY RAIL -- NEW SOUTH WALES.

	<u>1932</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
		Thousands	of tons.		
Month of October	370	638	176 +	724	820
January to "	3,813	6,165	5,684 +	7,214	5,844 +

+ Affected by an industrial dispute.